VZCZCXRO9005 OO RUEHCHI RUEHDT RUEHHM DE RUEHJA #2329/01 2360901 ZNY CCCCC ZZH O 240901Z AUG 07 FM AMEMBASSY JAKARTA TO RUEHC/SECSTATE WASHDC IMMEDIATE 5922 INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY RUEHBJ/AMEMBASSY BEIJING 4233 RUEHBY/AMEMBASSY CANBERRA 1047 RUEHKO/AMEMBASSY TOKYO 0691 RUEHPB/AMEMBASSY PORT MORESBY 3408 RUEHWL/AMEMBASSY WELLINGTON 1677 RUEHHM/AMCONSUL HO CHI MINH CITY 0211 RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RHHJJPI/USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 002329

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DEPT FOR EAP, EAP/MTS, EAP/MLS, INR/EAP

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SUBJECT: YOGYAKARTA IN A POST-SULTAN POLITICAL ENVIRONMENT

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Classified By: Pol/C Joseph Legend Novak for reasons 1.4(b,d).

11. (C) Summary: The Sultan recently announced that he would resign as Yogyakarta's governor in 2008. The decision has triggered a scramble to determine his successor, a process complicated by a law that recognizes the area's special status and the Sultan's preeminent role. Prospective laws on how to select a new governor are being reviewed in Jakarta. The issue is important for Indonesia given Yogyakarta's key national role as a cultural and educational center. End Summary.

The Sultan Makes his Move

12. (SBU) In April, Sri Sultan Hamengkubuwono X announced that he would resign as governor of Yogyakarta province in late 2008 when his term expires. The decision caught most Yogyakartans off guard, and fueled speculation in Jakarta that the Sultan was preparing himself for a serious run for national office (see septel about the Sultan and his possible ambitions). In the wake of the announcement, some 40,000 of the Sultan's subjects gathered at the Royal Palace in central Yogyakarta to urge the Sultan to stay on as governor. While some reacted with sadness and nostalgia following the decision, a more pressing question accompanied the announcement: if the Sultan was stepping down as governor who would replace him and how would his replacement be determined.

13. (C) Poloff asked the Sultan about the successor issue during an August 16 meeting at the Kreton (palace) in Yogyakarta. He told us that the central government would need to take action to develop a new mechanism to select the governor given the current national law that provides that the Sultan will serve as governor. The Sultan, who is 61, emphasized that he would not interfere with deliberations on the matter.

Yogyakarta's Special Status

 $\underline{\ }$ 4. (U) The Sultan's decision became an important issue against the backdrop of the historical and contemporary importance of Yogyakarta in Indonesia. The Special Region of

Yogyakarta is a province of over three million residents located in the heart of Java; it is the only one of Indonesia's 33 provinces formed from a pre-colonial Sultanate. Yogyakarta city itself is the capital of the province, but is better known as Indonesia's unofficial capital for culture, higher education, and a key center of the plurality Javanese ethnic group.

15. (U) In 1950, in recognition of Sri Sultan Hamengkubuwono's IX's (the current Sultan's father) prominent role in securing Indonesia's independence from the Dutch, Indonesia passed a law granting Yogyakarta the status of a Special Regional Province (there are three others, Aceh, Papua and the special capital district of Jakarta). The law explicitly acknowledged the Sultan's role in the province's affairs by naming him governor for life. The current occupant of the position assumed these duties in 1998 when his father died.

Draft Law

- 16. (SBU) Legal experts have been hard at work in the aftermath of the Sultan's announcement. According to contacts in Yogyakarta, there are currently three different proposals under consideration in Jakarta that attempt to address the gubernatorial succession issue while formally maintaining the special status of Yogyakarta. Only one draft bill seems to have a chance of enactment. This bill is being deliberated on currently by various ministries before possible submittal to the national legislature.
- 17. (SBU) The bill proposes a new, limited political role for the Sultanate as the third most powerful provincial political institution after the governor and the local legislature. The Sultan would be eligible to run for governor and would be authorized to veto potential gubernatorial candidates. In addition, the Sultan would be formally recognized as the legal guarantor of Yogyakarta's special cultural status as

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the province's "cultural governor." On the subject of Yogyakarta's special status, the draft law incorporated language acknowledging Yogyakarta's rich history and its cultural vitality.

No Quick Solution

18. (C) In light of the Sultan's resolute stance to leave office next year, the central government needs to act soon to come up with a solution regarding the succession issue. The question of the electoral process mechanism is unlikely to be resolved before the Sultan steps down, however, given its complexities and the fact that the national legislature is tied up with other issues. Even with the Sultan's retirement as governor, he and his family will remain highly important in Yogyakarta, especially on the cultural and social levels. HUME